



MEMSCAP Q3 2022:

NET AND OPERATING PROFITABILITY FROM CONTINUING OPERATIONS FOR THE THIRD QUARTER 2022 & QUARTERLY EBITDA OF 0.3 MILLION EUROS

Excluding US operations according to IFRS 5, Group's consolidated quarterly revenue at 2.1 million euros (2.5 million euros including sales from discontinued operations)

Growth of the consolidated sales expected in the fourth quarter of 2022 reflecting the momentum of the Norwegian business

Cumulative EBITDA from continuing operations over 9 months amounting to 1.0 million euros

Finalisation of US restructuring (FABLITE program) expected in the fourth quarter of 2022

Grenoble (France) – October 20, 2022 – 07:30 AM.

MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its earnings for the third quarter ending September 30, 2022.

Analysis of the consolidated income statement

In accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”, revenue from the US operations was excluded from revenue from continuing operations and included in the consolidated income statement via the loss after tax from discontinued operations. Consolidated revenue for the third quarter of 2022 excluding US operations amounted to 2.1 million euros (2.1 million US dollars) compared to 2.1 million euros (2.5 million US dollars) for the third quarter of 2021. Including sales from discontinued operations, consolidated revenue amounted to 2.5 million euros (2.5 million US dollars) over the third quarter of 2022.

Consolidated revenue distribution by market segment, over the third quarter of 2022 and presented in accordance with IFRS 5, is as follows:

Market segments / Revenue (In million euros) – Non-audited	Q1 21 (Restated)	Q2 21 (Restated)	Q3 21 (Restated)	Q3 21 % (Restated)	Q1 22	Q2 22	Q3 22	Q3 22 %
Aerospace	0.9	1.4	1.4	69%	1.7	1.8	1.4	67%
Medical	1.2	0.6	0.6	29%	0.6	0.4	0.6	31%
Others	0.0	0.0	0.1	2%	0.0	0.0	0.1	2%
Total revenue from continuing operations	2.2	2.0	2.1	100%	2.3	2.3	2.1	100%
<i>Revenue from discontinued operations – IFRS 5 (US operations)</i>	<i>0.6</i>	<i>0.6</i>	<i>0.8</i>	<i>--</i>	<i>0.4</i>	<i>0.7</i>	<i>0.4</i>	<i>--</i>

(Any apparent discrepancies in totals are due to rounding. In accordance with IFRS 5, items related to the 2021 financial year were restated in order to present comparative information for discontinued operations.)

MEMSCAP’s consolidated earnings for the third quarter of 2022, and presented in accordance with IFRS 5, are given within the following table:

In million euros – Non-audited	Q1 21 (Restated)	Q2 21 (Restated)	Q3 21 (Restated)	Q1 22	Q2 22	Q3 22
Revenue from continuing operations	2.2	2.0	2.1	2.3	2.3	2.1
Cost of revenue	(1.1)	(1.2)	(1.2)	(1.4)	(1.4)	(1.2)
Gross margin	1.0	0.8	0.9	0.8	0.9	0.8
% of revenue	49%	39%	43%	37%	38%	41%
Operating expenses*	(0.8)	(0.7)	(0.8)	(0.8)	(0.9)	(0.8)
Operating profit / (loss)	0.3	0.1	0.1	0.0	(0.0)	0.0
Financial profit / (loss)	(0.0)	(0.0)	(0.0)	(0.1)	0.2	0.0
Income tax expense	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)
Net profit / (loss) from continuing operations	0.3	0.0	0.1	(0.0)	0.1	0.0
Profit / (loss) after tax from discontinued operations	(0.4)	(0.1)	(0.2)	(0.4)	(0.3)	(0.1)
Net profit / (loss)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)

(Any apparent discrepancies in totals are due to rounding. In accordance with IFRS 5, items related to the 2021 financial year were restated in order to present comparative information for discontinued operations.)

* Net of research & development grants.

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MEMSCAP
The Power of a Small World™



(In accordance with IFRS 5, items related to the 2021 financial year were restated to present comparative information for discontinued operations related to the Group's US operations.)

The avionics segment, the Group's largest business, represented 67% of the total revenue from continuing operations in the third quarter of 2022.

The Group anticipates an increase of consolidated sales in the fourth quarter of 2022, highlighting the dynamism of its avionics and medical businesses.

The Group's gross margin rate stood at 41% of consolidated sales compared to 43% for the third quarter of 2021.

The amount of operating expenses at 0.8 million euros for the third quarter of 2022 remained in line with the previous quarters.

The Group therefore reported consolidated operating earnings from continuing operations at the breakeven point for the third quarter of 2022 compared to a consolidated operating profit at 0.1 million euros for the third quarter of 2021. After taking into account the consolidated financial income and the deferred tax expense, the Group posted quarterly net earnings from continuing operations at the break-even point for the third quarter of 2022 compared to a consolidated net profit from continuing operations at 0.1 million euros for the third quarter of 2021.

EBITDA from continuing operations amounted to +0.3 million euros for the third quarter of 2022, thus +1.0 million euros for the 9-month period ending September 30, 2022. On September 30, 2022, the Group reported available cash at 4.5 million euros (vs. 4.4 million euros at the end of June 2022) including cash investments (Corporate bonds / investment securities) recorded under non-current financial assets for an amount of 1.1 million euros. In addition to this amount, the available unused credit lines amounted to 0.4 million euros on September 30, 2022.

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Restructuring of the US operations

As previously announced and as part of the progress of the FABLITE program, the MEMSCAP Group has initiated the restructuring phase of its US operations. This program is progressing according to the management's plans and should be completed in the fourth quarter of 2022.

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Analysis and perspectives

As previously mentioned, the Norwegian entity, including the avionics and medical businesses of the Group, will become the operational core of the MEMSCAP Group at the end of the restructuring phase of the US operations. These activities over the first 9 months of FY 2022 posted historically high levels of sales thanks to the renewed momentum of the avionics business. This trend is expected to intensify in the fourth quarter of 2022.

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Q4 2022 earnings: January 25, 2023.

About MEMSCAP

MEMSCAP is the leading provider of innovative micro-electro-mechanical systems (MEMS)-based solutions. MEMSCAP's products and solutions include components, component designs (IP), manufacturing and related services.

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